



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

Recent layoff announcements suggest that the Panhandle's job losses in manufacturing, call centers, and retail stores are not over. Yet the last few months also have brought much good news. Since January 1, the Panhandle has learned about the recruitment, opening, and expansion of many businesses. With the hosting of the Ironman Triathlon in June, the opening of Silverwood Theme Park's Boulder Beach water park on July 1, this spring's unveiling of the remodeled Coeur d'Alene Resort Golf Course, and expansion at the Coeur d'Alene Tribal Casino, this summer should shatter tourism records. Residential construction and the real estate industry also are showing tremendous strength.

Job losses and spring break-up pushed the Panhandle's seasonally adjusted unemployment rate from 7.3 percent in February to 7.9 percent in March. See Panhandle Table 1 for details. Despite the month-over-month increase in the unemployment rate, it remained below the 8.7 percent of March 2002. The layoffs described in this article occurred after the week of March 12, so they did not affect the March unemployment rate.

AREA DEVELOPMENTS

Benewah County

- Potlatch began upgrading its St. Maries complex this spring. The \$2.7 million project will boost lumber production and increase the sawmill's efficiency by attaining even more product out of every log. In addition, the project will allow the plywood plant to begin peeling veneer to sell to companies that make laminated veneer lumber. Making a large investment during this time of low lumber prices exhibits a strong commitment to the St. Maries community. The St. Maries complex employs about 320 people. The upgrade will cause some interruptions in employment while new equipment is installed. The complex shut down for six days over Memorial Day weekend and will shut down for 21 days in July.

Boundary County

- Louisiana-Pacific (L-P) shut down its Bonners Ferry mill in late April for an

Panhandle Table 1: Labor Force & Employment

	March 2003*	Feb 2003	March 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	92,350	91,970	90,840	0.4	1.7
Unemployed	7,270	6,750	7,940	7.7	-8.4
% of Labor Force Unemployed	7.9	7.3	8.7		
Total Employment	85,080	85,220	82,900	-0.2	2.6
Unadjusted					
Civilian Labor Force	91,540	90,570	90,090	1.1	1.6
Unemployed	9,740	9,100	10,490	7.0	-7.1
% of Labor Force Unemployed	10.6	10.0	11.6		
Total Employment	81,800	81,470	79,600	0.4	2.8
JOB BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	65,930	65,620	65,020	0.5	1.4
Goods-Producing Industries	11,670	11,800	11,690	-1.1	-0.2
Natural Resources & Mining	1,320	1,510	1,340	-12.6	-1.5
Construction	3,620	3,510	3,600	3.1	0.6
Manufacturing	6,730	6,780	6,750	-0.7	-0.3
Wood Product Manufacturing	2,790	2,800	2,780	-0.4	0.4
Other Manufacturing	3,940	3,980	3,970	-1.0	-0.8
Service-Producing Industries	54,260	53,820	53,330	0.8	1.7
Trade, Transportation, & Utilities	12,890	12,840	12,920	0.4	-0.2
Wholesale Trade	1,300	1,290	1,300	0.8	0.0
Retail Trade	9,920	9,810	9,980	1.1	-0.6
Utilities	360	360	360	0.0	0.0
Transportation & Warehousing	1,310	1,380	1,280	-5.1	2.3
Information	1,280	1,260	1,300	1.6	-1.5
Financial Activities	2,890	2,880	2,720	0.3	6.3
Professional & Business Services	6,240	6,150	6,040	1.5	3.3
Educational & Health Services	6,780	6,730	6,460	0.7	5.0
Leisure & Hospitality	7,300	7,180	7,300	1.7	0.0
Other Services	2,260	2,260	2,130	0.0	6.1
Government Education	5,270	5,210	5,190	1.2	1.5
Government Administration	8,350	8,310	8,270	0.5	1.0
Government Tribes	1,000	1,000	1,000	0.0	0.0

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

indefinite period. The shutdown, which is likely to last several months, idled more than 120 production workers. Low lumber prices also had forced L-P to shut down the mill for six weeks in November and December.

- The 2003 Governor's Conference on Recreation and Tourism named Bonners Ferry Idaho's Friendliest Town. The designation was based on a survey of tourists. Bonners Ferry, a portal for Americans visiting Canada and Canadians visiting America, gives tourists a favorable impression of Idaho. In coming years, visitors will get an even more favorable impression because this spring the Idaho Transportation Department approved a \$1 million grant to build a visitor's center in Bonners Ferry. The International Gateway Visitors Center, which will provide information about the area and access to restrooms and utilities, is slated to open by the summer of 2004. The center may display some Kootenai Tribe artifacts.

- Idaho's first Foreign Trade Zone has been established in Boundary County at Eastport, one of the two U.S. Custom Ports of Entry on the Canadian border in Idaho. Businesses operating at Foreign Trade Zones enjoy increased speed of international trade due to faster customs inspections and reduced or waived duties, tariffs, and quota limits. The Foreign Trade Zone designation should make it easier for Boundary County to attract companies.

Kootenai County

- Flexcel, formerly Harpers, permanently laid off 60 workers in April. The continued sluggishness of the U.S. economy forced the office furniture manufacturing plant to eliminate the factory floor jobs. After the layoff, Flexcel employs 440 people, remaining the Panhandle's largest manufacturing operation at a single site.
- The University of Idaho Research Park (UIRP) in Post Falls recently welcomed a new tenant, Electrodyne. The company develops multimedia CDs and DVDs to market other companies. Currently, Electrodyne employs four people at the UIRP. It is developing new products that may lead to expansion. With Electrodyne's occupancy, the park's first building is full. Plans are underway for construction of a second building.
- Flooring Sales Group, a company with 15 stores in Washington and Idaho, is moving its corporate headquarters to a landmark in downtown Coeur d'Alene, the Masonic Temple building at 524 East Sherman Avenue. The company's Great Floors stores sell carpets, vinyl, laminate, wood, tile, and stone flooring. About 25 administrative employees will move into the headquarters in the next two months. Some are moving from the Seattle area and some from the Great Floors store at Highway 95 and Dalton Avenue in Coeur d'Alene. Founded in Coeur d'Alene in 1970, Flooring Sales Groups employs about 325 employees. It plans to add one or two stores a year.
- Verizon offered voluntary separation packages in May to 60 employees at its national order market center (NOMC), its first and largest call center in Coeur d'Alene. It's not yet known how many employees will accept the separation package. The sluggish U.S. economy, intense competition in the wireless communications industry, and changes in technology that allow the average worker to process more orders per day have decreased the need for Verizon NOMC employees throughout the U.S. The offer of voluntary separation does not necessarily mean involuntary layoffs will follow at the Coeur d'Alene NOMC, which currently employs 180 workers. Verizon's other order-processing center in Coeur d'Alene employs 60 workers.
- Imco Recycling laid off 25 people in April—half of the workforce at the aluminum recycling plant near Hauser. Two years ago, it employed about 75 people. Low aluminum prices and high energy costs have forced several Northwest aluminum mills to close during the last two years. As well as recycling cans, Imco recycles dross and other byproducts of aluminum production. Before Kaiser Aluminum eliminated most of

its operations in neighboring Spokane County, Imco sent its product to Kaiser as molten liquid for rolling into aluminum sheets. The loss of Kaiser, along with reduced demand for aluminum, played a role in Imco's layoff.

- The Emporium store at the Silver Lake Mall in Coeur d'Alene closed in April, putting 46 employees out of work. Troutman Investment had announced in January it would close 34 Emporium department stores, including the one in Coeur d'Alene, within three months.
- MediServe moved from 404 West Haycraft into its new 6,400-square-foot building at 6796 North Mineral Drive in Coeur d'Alene in May. MediServe provides billing services and financial consulting for medical offices in Idaho, Montana, Wyoming, and Washington. The new building will allow MediServe to continue to expand. Nine years ago, it started with eight employees. Today, it employs more than 30 people.
- C. Paul Sandifur, president and CEO of Spokane-based Metropolitan Mortgages & Securities Co., announced in October that he planned to bring 50 jobs to Kootenai County. In February, Metropolitan celebrated the grand opening of its 12,000-square-foot office at Riverbend Commerce Park in Post Falls. It now employs more than 40 people there.
- In March, four anchor tenants moved into the new mini-mall north of Olive Garden along Highway 95 in Coeur d'Alene. Tenants include: Borders Books, a 15,000-square-foot store selling books, music, and movies; T.J. Maxx, a 23,000-square-foot store selling clothing and accessories; Bed, Bath, & Beyond, a 30,000-square-foot store selling home furniture and accessories; and Petco, a 12,000-square-foot store selling supplies and services for pets. Together, they hired about 150 people. In May, Pier 1 Imports began hiring two dozen people for its new 10,000-square-foot store in the mini-mall.
- Dollar Tree Stores, a discount chain, opened two stores: a 12,000-square-foot store employing 15 people at 720 North Cecil Road near Wal-Mart in Post Falls in April, and a 20,000-square-foot store employing 20 people in the former United Furniture Warehouse at U.S. 95 and Neider Avenue in Coeur d'Alene in May.

Shoshone County

- The Galena Mine, the only Silver Valley mine operating near capacity, produced a record 5.3 million ounces of silver in 2002. The mine, employing more than 200 people near Osburn, may surpass that record this year.

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